

SB0085



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB0085

Introduced 1/20/2023, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

New Act

Creates the State Beverage Container Recycling Refunds Act. Establishes the Distributor and Importer Responsibility Organization to implement a beverage container recycling redemption refund program to issue redemption refunds to consumers for beverage containers. Provides avenues for redeeming refunds under the Act. Contains labeling requirements. Sets forth performance targets for the Organization. Contains reporting requirements. Requires the Organization to establish an Operations Advisory Committee and an Equity and Access Advisory Committee. Contains provisions concerning reimbursement, enforcement, and administration and other provisions.

LRB103 05311 CPF 50329 b

A BILL FOR

1 AN ACT concerning safety.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the State
5 Beverage Container Recycling Refunds Act.

6 Section 5. Definitions. In this Act:

7 "Agency" means the Illinois Environmental Protection
8 Agency.

9 "Beverage" means any drinkable liquid intended for human
10 oral consumption. "Beverage" does not include:

11 (1) a drug regulated under the Federal Food, Drug, and
12 Cosmetic Act (21 U.S.C. 301 et seq.);

13 (2) infant formula; or

14 (3) a meal replacement liquid.

15 "Beverage container" means a prepackaged container, such
16 as a carton, pouch, or aseptic packaging which:

17 (1) is made of any multimaterial or material,
18 including, but not limited to, glass, plastic, or metal;

19 (2) is designed to be used for beverage storage one or
20 more times before being recycled; and

21 (3) has a volume of not more than one gallon.

22 "Beverage container processing mechanism" means any manual
23 or technological means by which empty beverage containers are

1 properly identified and processed.

2 "Beverage producer" means a person who bottles, cans, or
3 otherwise fills beverage containers to sell to distributors,
4 importers, or retailers.

5 "Consumer" means a person who purchases a beverage
6 container in the State for use or consumption.

7 "Distributor" means a person, including, but not limited
8 to, a beverage producer, who engages in the sale of beverage
9 containers to a retailer in the State.

10 "Drop-off facility" means a specific area where
11 individuals may bring household recyclable materials to be
12 sorted into material-specific receptacles.

13 "Importer" means a retailer or beverage producer who
14 directly imports beverage containers into the State.

15 "Line breakage" means a beverage container that becomes
16 defective or damaged during manufacturing, is not meant for
17 sale, and is not eligible for redemption.

18 "Material recovery facility" means a facility that
19 receives, separates, and sells or otherwise distributes
20 postconsumer materials for recycling.

21 "Member" means a distributor or importer who has joined
22 the Organization and paid all applicable fees.

23 "Nonprofit organization" means an organization established
24 and operated as a nonprofit organization under Section
25 501(c)(3) of the Internal Revenue Code of 1986.

26 "Organization" means the Distributor and Importer

1 Responsibility Organization established under Section 50.

2 "Retailer" means a person or business in the State who
3 engages in the sale of beverage containers to a consumer.

4 "Store" means an individual location where a retailer
5 sells beverage containers.

6 Section 10. Beverage container recycling redemption refund
7 program.

8 (a) Except as otherwise provided in this Section, each
9 beverage container sold or offered for sale in the State shall
10 have the following redemption refund value:

11 (1) ten cents for a beverage container of 24 fluid
12 ounces or less; and

13 (2) fifteen cents for a beverage container of more
14 than 24 fluid ounces.

15 (b) The Agency may change each redemption refund value
16 under subsection (a), by rule, so long as the changed refund
17 value is not based on the type of postconsumer material being
18 recycled, not more often than:

19 (1) once during any 10-year period and in consultation
20 with the Organization; and

21 (2) once during any 5-year period and after receiving
22 a request from the Organization for a change to one or both
23 redemption refund amounts, if the Agency's change conforms
24 with the Organization's request.

25 (c) Prior to any change in the redemption refund value

1 under subsection (b), the Agency must undergo a notice and
2 comment review period with at least 60 days' notice to the
3 public.

4 (d) If the redemption rate publicly reported by the
5 Organization under Section 60 does not reach 85% for 3
6 consecutive calendar years after being required to do so under
7 paragraph (3) of subsection (a) of Section 55, then each
8 beverage container sold or offered for sale in the State shall
9 have the following redemption refund value:

10 (1) fifteen cents for a beverage container of 24 fluid
11 ounces or less; and

12 (2) twenty cents for a beverage container of more than
13 24 fluid ounces.

14 (e) Any moneys designated for redemption refunds but that
15 are not claimed by consumers shall be used by the Organization
16 to support its administrative costs and to perform the
17 activities required under this Act.

18 (f) A person may receive a redemption refund under this
19 Act only for a beverage container submitted in a standard bag
20 that is sold by the Organization and meets any requirements
21 determined by the Organization.

22 Section 15. Material flows. When a consumer redeems a
23 beverage container in accordance with this Act, the
24 Organization becomes the owner of that beverage container and
25 may:

- 1 (1) sell it to a buyer of its choosing; or
2 (2) on its own or via a third party, process the
3 beverage container for refill if it is reusable.

4 Section 20. Means of redemption.

5 (a) A retailer who operates a store must:

- 6 (1) if the store has 30 or more parking spots
7 available for its customers' use, permit the Organization
8 to:

9 (A) collect bags of redeemable beverage containers
10 in a space of the retailer's choosing within the
11 available parking spots; and

12 (B) install, maintain, and service at least one
13 other beverage container processing mechanism inside
14 or immediately outside of the store on property that
15 the retailer owns or leases for operation of the
16 store; or

- 17 (2) if the store has fewer than 30 parking spots
18 available for its customers' use, permit the Organization
19 to install, maintain, and service at least 2 beverage
20 container processing mechanisms inside or immediately
21 outside of the store on property that the retailer owns or
22 leases for operation of the store; or

23 (3) if the retailer does not, within 90 days after
24 receiving a request in a reasonable manner from the
25 Organization, notify the Organization that the retailer

1 will permit the Organization to perform an activity under
2 paragraph (1) or (2) or accept beverage containers at the
3 store, pay a civil penalty representing the applicable
4 redemption refund value described in Section 10 in the
5 following amounts:

6 (A) if the store has an area equal to or greater
7 than 5,000 square feet, the redemption refund value of
8 up to 250 beverage containers per day that the
9 Organization is unable to perform that activity
10 because of the retailer's failure to notify the
11 Organization;

12 (B) if the store has an area that is more than
13 1,000 square feet and less than 5,000 square feet, the
14 redemption refund value of up to 50 beverage
15 containers per day that the Organization is unable to
16 perform that activity because of the retailer's
17 failure to notify the Organization; and

18 (C) if the store has an area that is 1,000 square
19 feet or less and sells more than one million beverage
20 containers per year, the redemption refund value of up
21 to 25 beverage containers per day that the
22 Organization is unable to perform that activity
23 because of the retailer's failure to notify the
24 Organization.

25 (b) A retailer need not meet the requirements under
26 subsection (a) until the Organization requests permission to

1 install, maintain, and service a beverage container processing
2 mechanism inside or immediately outside of the store on
3 property that the retailer owns or leases for operation of the
4 store.

5 (c) Notwithstanding subsections (a) and (b), a retailer
6 shall, upon request by the Organization regarding a particular
7 store of the retailer:

8 (1) offer for sale at that particular store the
9 standard bags described under subsection (f) of Section
10 10;

11 (2) permit the Organization to install, service, and
12 operate at least one beverage container processing
13 mechanism in a space inside or immediately outside of that
14 store on property that the retailer owns or leases for
15 operation of the store; and

16 (3) permit the Organization to install, service, and
17 operate a self-service kiosk that prints redemption
18 vouchers inside or immediately outside of that particular
19 store.

20 (d) Except as provided under subsection (f), a retailer is
21 exempt from the requirements of this Act for a store that the
22 retailer operates, is 1,000 square feet or fewer, and at which
23 less than one million beverage containers are sold per year.

24 (e) A retailer is exempt from the requirements of this
25 Section for a store that the retailer operates and that:

26 (1) primarily prepares food for sale; or

1 (2) sells beverage containers to consumers primarily
2 through stand-alone vending machines or by similar means.

3 (f) Notwithstanding subsections (a) through (e), for zip
4 codes in the State with a population density greater than
5 30,000 residents per square mile, the Organization must
6 install, service, and operate enough beverage container
7 processing mechanisms to ensure that there is one beverage
8 container processing mechanism per 500 people.

9 (g) Any facility that the Organization sets up in the
10 State to efficiently aggregate, sort, and process the material
11 collected at various redemption locations under this Act:

12 (1) shall accept, pursuant to a reasonable process the
13 Organization may establish, beverage containers eligible
14 for redemption that are submitted in the Organization's
15 standard redemption bag, as designated by the
16 Organization, by a nonprofit organization; and

17 (2) may provide a nonprofit organization with a
18 premium to be determined by the Organization.

19 (h) The public shall have access to redeem beverage
20 containers in accordance with this Section for not less than
21 10 hours each day, except on federal, State, or local holidays
22 and except at a facility set up by the Organization to
23 aggregate, sort, and process redeemed beverage containers.

24 (i) The Organization must provide information to the
25 public detailing how consumers can alert the Organization to
26 problems at beverage container processing mechanisms operated

1 by the Organization. The information shall be provided via:

2 (1) the Organization's website;

3 (2) clearly visible signage at least 5 feet by 5 feet
4 at each redemption location required under this Section;
5 and

6 (3) clearly visible signage at least 2 feet by 2 feet
7 placed on or within 5 feet of each beverage container
8 processing mechanism.

9 (j) The Organization may establish reasonable terms and
10 conditions for the use of a beverage container processing
11 mechanism.

12 Section 25. Labeling requirements.

13 (a) A beverage producer, distributor, or importer shall
14 include, anywhere that is clearly visible on the top or side of
15 each beverage container sold by the beverage producer,
16 distributor, or importer in the State, the abbreviation "RV".

17 (b) The Organization may require that any beverage
18 producer, distributor, or importer include, on any space that
19 is on the top or side of each beverage container sold in the
20 State, the clearly visible abbreviation of the State and
21 applicable redemption refund value under Section 10.

22 (c) A beverage producer, distributor, or importer may
23 include a barcode or unique code verification on a beverage
24 container to automatically identify it.

1 Section 30. Timing.

2 (a) A beverage container that is at least 90% aluminum,
3 glass, high density polyethylene plastic, or polyethylene
4 terephthalate and that is sold in the State must be redeemable
5 for the applicable redemption refund value under Section 10 by
6 no later than 2 years after the effective date of this Act.

7 (b) A beverage container not described under subsection
8 (a) and that is sold in the State must be redeemable for the
9 applicable redemption refund value under Section 10 by no
10 later than 3 years after the effective date of this Act.

11 (c) The Organization may permit up to an additional 365
12 days to meet the deadlines under subsections (a) and (b).

13 Section 35. Prohibitions.

14 (a) No person shall distribute, import, or sell beverage
15 containers in or into the State except in compliance with this
16 Act.

17 (b) No person shall redeem a beverage container under this
18 Act that was not sold in the State to a consumer in the State.

19 Section 40. Agency duties. On or before October 1 of each
20 year after the effective date of this Act, the Agency shall
21 identify and communicate to the Organization the Agency's
22 total estimated annual cost to implement, administer, and
23 enforce this Act, including the cost of adopting rules under
24 this Act, in the next calendar year, after:

1 (1) subtracting the moneys that the Agency collected
2 from penalties assessed under this Act, which shall be put
3 toward fulfilling the Agency's responsibilities under this
4 Act in the next calendar year; and

5 (2) adding any expenses incurred in fulfilling the
6 Agency's responsibilities under this Act that are not
7 covered by the annual cost from the previous year.

8 Section 45. Drop-off facility and material recovery
9 facility duties.

10 (a) Each drop-off facility or material recovery facility
11 operating in the State, or outside of the State if the majority
12 of the material it processes comes from the State, may submit
13 the following information to the Organization:

14 (1) the amount in tons of residential recyclable
15 material that the facility received for processing in the
16 previous calendar year; and

17 (2) an estimate of the amount in tons of residential
18 recyclable material that the facility received from the
19 State.

20 (b) The optional information detailed in subsection (a)
21 shall be submitted on or before April 1 and shall only pertain
22 to the previous full calendar year.

23 Section 50. Distributor and Importer Responsibility
24 Organization.

1 (a) All distributors and importers shall join as members
2 of a Distributor and Importer Responsibility Organization. A
3 distributor or importer operating in violation of this
4 requirement is subject to penalties described in Section 75.
5 The Organization must be established and operated as a
6 nonprofit organization or a cooperative corporation.

7 (b) Only one Organization may operate in the State. The
8 Organization may decide to operate jointly with similar
9 organizations. The Organization shall elect a governing Board
10 of Directors of the Organization comprised of Organization
11 members. The Organization shall be led by an Executive
12 Director elected by the Board of Directors of the
13 Organization.

14 (c) The Organization shall charge a membership fee that
15 funds the Organization's costs of operation minus unclaimed
16 redemption refunds or any other revenue sources that the
17 Organization may develop. The Organization shall charge
18 membership fees that vary by material type and that reflect:

19 (1) the cost of collecting, sorting, and processing
20 each beverage container type; and

21 (2) the number of units of each beverage container
22 type that each member distributes or sells in the State.

23 (d) The Organization shall refund members the moneys from
24 revenue generated from the sale of each beverage container
25 type's scrap based on the percentage of each beverage
26 container type that each member distributes or sells in the

1 State. However, if such refunds are not feasible, the
2 Organization shall provide a credit to members against the
3 fees charged under this Act in an amount equal to that which
4 each member would have received as a refund.

5 (e) The Organization shall publish publicly on its
6 website:

7 (1) within 18 months after the effective date of this
8 Act, an initial plan for how the Organization will meet
9 its requirements under this Act over the next 5 years,
10 including the performance targets specified in Section 55;
11 and

12 (2) no later than every 5 years after publication of
13 the initial plan under paragraph (1), an updated plan on
14 how the Organization will continue to meet its
15 requirements under this Act, including the performance
16 targets specified in Section 55.

17 (f) The Organization shall pay:

18 (1) for any beverage container processing mechanism or
19 self-service kiosk that the Organization chooses to
20 install, maintain, and operate:

21 (A) with retailer permission granted pursuant to
22 Section 20; or

23 (B) at any location to meet or exceed:

24 (i) the performance targets under Section 55;

25 or

26 (ii) the beverage container processing

1 mechanism requirement under subsection (f) of
2 Section 20; and

3 (2) for any facilities in the State necessary to
4 efficiently aggregate, sort, and process the beverage
5 containers collected at redemption locations under this
6 Act;

7 (3) to upkeep a list and map on its website of all
8 redemption locations and the redemption options available
9 at each redemption location;

10 (4) by December 31 of each year, an annual installment
11 to the Agency according to the formula under Section 40,
12 but not to exceed \$500,000 per year; the installment shall
13 fund the Agency's anticipated costs in the following year
14 to implement, administer, and enforce this Act, including
15 adopting rules under this Act;

16 (5) a credit to consumers for the cost of the standard
17 bags described under subsection (f) of Section 10; and

18 (6) beginning during the first full year and ending
19 the fifth full year after one or more beverage container
20 types is sold with a redemption refund value under this
21 Act, direct annual payments by July 1 of each calendar
22 year to drop-off facility operators and material recovery
23 facility operators who choose to submit information under
24 Section 45; each payment shall:

25 (A) equal 10% of the scrap value from the beverage
26 container material the Organization sold in the

1 preceding calendar year; and

2 (B) be based on the data submitted by drop-off
3 facility operators or material recovery facility
4 operators under Section 45.

5 (g) If the standard bag the Organization sells to
6 consumers under subsection (f) of Section 10 is made of
7 plastic film, the Organization shall:

8 (1) ensure that the standard bag sold is comprised of
9 a minimum of 50% recycled content; and

10 (2) demonstrate to the Agency that the plastic film
11 waste from the standard bags will be recycled in the best
12 commercially available manner.

13 (h) The Organization is not required to pay a redemption
14 refund under this Act for:

15 (1) any beverage container that visibly contains or is
16 visibly contaminated by a substance other than water,
17 residue of the beverage contained within the beverage
18 container as sold by a retailer to a consumer, or dust;

19 (2) any beverage container that is crushed, broken, or
20 damaged to the extent that the brand appearing on the
21 beverage container cannot be identified;

22 (3) any beverage container that the Organization has
23 reasonable grounds to believe was procured in another
24 state; or

25 (4) any beverage container for which the Organization
26 has reasonable grounds to believe a redemption refund has

1 already been issued under this Act or under any other
2 state's law, rule, or regulation.

3 (i) The Organization may:

4 (1) use, or award grants using, moneys received or
5 generated under this Act for:

6 (A) litter clean-up; and

7 (B) education and outreach on recycling beverage
8 containers; and

9 (2) use moneys received or generated under this Act to
10 directly, or in partnership with a nongovernmental
11 organization, provide services to or enhance the
12 redemption experience of minority or low-income consumers
13 who redeem a beverage container;

14 (3) to the extent allowed by law, distribute to its
15 members moneys received or generated under this Act during
16 a fiscal year if:

17 (A) the Organization's revenues under this Act
18 exceeded the costs of carrying out the Organization's
19 requirements under this Act by more than 10%; and

20 (B) after distributing the moneys to members, the
21 Organization's nondistributed revenues comprise at
22 least 110% of the costs of carrying out the
23 Organization's requirements under this Act; and

24 (4) use moneys generated under this Act to pay members
25 or support the management and activities of an advisory
26 committee established under Section 65.

1 Section 55. Performance targets.

2 (a) The Organization shall meet the following performance
3 targets:

4 (1) Beginning during the second full calendar year
5 after all beverage containers are sold in the State with
6 the applicable redemption refund value under Section 10,
7 at least a 70% annual redemption rate for all beverage
8 containers.

9 (2) Beginning with the fourth full calendar year after
10 all beverage containers are sold in the State with the
11 applicable redemption refund value under Section 10, at
12 least a 75% annual redemption rate for all beverage
13 containers.

14 (3) Beginning during the sixth full calendar year
15 after all beverage containers are sold in the State with
16 the applicable redemption refund value under Section 10,
17 at least an 85% annual redemption rate for all beverage
18 containers.

19 (4) Beginning during the eighth full calendar year
20 after all beverage containers are sold in the State with
21 the applicable redemption refund value under Section 10,
22 at least an 90% annual redemption rate for all beverage
23 containers, including all beverage containers recycled
24 under a curbside recycling program in the State.

25 (b) If the Organization does not meet a performance target

1 required under subsection (a), it must submit to the Agency a
2 product stewardship plan no more than 365 days after the data
3 required under subsection (e) of Section 50 has most recently
4 been published. The product stewardship plan shall detail the
5 reason that the performance target was not met and any action
6 the Organization will take to meet the performance target.

7 (c) The product stewardship plan described in subsection
8 (b) must be modified each year in which a performance target
9 required under subsection (a) is not met by the Organization.
10 If the Organization does not meet a performance target
11 required under subsection (a) during a period of 3 years after
12 a product stewardship plan was submitted to the Agency under
13 subsection (b), a new product stewardship plan must be
14 submitted by the Organization.

15 (d) If the Organization does not meet a performance target
16 under subsection (a) during a period of 3 years after a product
17 stewardship plan was submitted to the Agency under subsection
18 (b), the Agency may:

19 (1) assess a penalty against the Organization once per
20 calendar year of up to 10 cents for each beverage
21 container comprising the difference between the number of
22 beverage containers that were redeemed and the total
23 number of beverage containers that, if redeemed, would
24 have met the performance target; and

25 (2) require the Organization to submit a revised
26 product stewardship plan.

1 (e) If the Organization does not meet a performance target
2 required under subsection (a) during a period of 5 years after
3 a product stewardship plan was submitted to the Agency under
4 subsection (b), then:

5 (1) the Organization shall detail on the
6 Organization's website why a new Executive Director of the
7 Organization is not necessary if, at the end of the 5-year
8 period, the same person has acted as Executive Director of
9 the Organization for more than 365 days; and

10 (2) the Agency may assess a penalty against the
11 Organization once per calendar year of up to 15 cents for
12 each beverage container comprising the difference between
13 the number of beverage containers that were redeemed and
14 the total number of beverage containers that, if redeemed,
15 would have met the performance target.

16 (f) If a performance target required under subsection (a)
17 has not been met during each of the 7 consecutive calendar
18 years immediately after the calendar year of the submission of
19 the product stewardship plan described in subsection (b), then
20 the Agency may take over the Organization's operations and
21 charge its members in accordance with Section 50 until:

22 (1) the performance target is met, after which the
23 Organization's operations shall be taken over again by the
24 Organization within 180 days after the performance target
25 is met; or

26 (2) 5 years after the Agency has taken over, after

1 which, if the performance target is not met for at least 2
2 consecutive years, the members of the Organization shall
3 choose a new Executive Director and the Organization's
4 operations shall be taken over again by the Organization.

5 If the Agency utilizes paragraph (2), then the
6 requirements of subsections (b), (c), and (d) shall not apply
7 to the Organization until 3 years after the new Executive
8 Director is chosen under paragraph (2).

9 Section 60. Reporting.

10 (a) On or before July 1 of each calendar year, beginning
11 July 1 of the first full calendar year after a beverage
12 container has a redemption refund value under this Act, the
13 Organization shall make publicly available on its website:

14 (1) the number of beverage containers sold in the
15 State by material type, as well as, for each quarter of the
16 year covered by the report and the quarters of each prior
17 year for at least the preceding 5 years, to the extent the
18 data is available under this Act, the proportion of
19 beverage containers sold in the State that are capable of
20 being recycled, refilled, or reused;

21 (2) for each quarter of the year covered by the report
22 and the quarters of each prior year for at least the
23 preceding 5 years, and to the extent data is available
24 under this Act, the percentage of the total amount of
25 beverage containers sold in the State that each beverage

1 container material type represents;

2 (3) the percentage of the total amount of fees charged
3 to members that each beverage container material type
4 represents for each quarter of the year covered by the
5 report and the quarters of each prior year for at least the
6 preceding 5 years, to the extent data is available;

7 (4) the number of beverage containers, by material
8 type, redeemed for each quarter of the year covered by the
9 report and the quarter of each prior year for at least the
10 preceding 5 years, to the extent data is available;

11 (5) the number of beverage containers redeemed at each
12 beverage container processing mechanism provided by the
13 Organization under this Act;

14 (6) the buyers to whom the Organization sold beverage
15 container materials and an indication of the beverage
16 container's material type;

17 (7) the percentage of the total amount of moneys
18 redeemed for each beverage container material type;

19 (8) each redemption location in the State;

20 (9) the means of redemption at each redemption
21 location in the State;

22 (10) the total expenses of the Organization;

23 (11) the total revenues of the Organization;

24 (12) the total reserves of the Organization;

25 (13) the cost to the Organization per beverage
26 container redeemed;

1 (14) the number of redemption locations that provide
2 services or an enhanced redemption experience for minority
3 or low-income consumers;

4 (15) aggregated demographic information, including, at
5 a minimum, the race, ethnicity, and gender identity of:

6 (A) employees working on-site at redemption
7 locations or at facilities the Organization
8 establishes to aggregate, sort, and process the
9 beverage containers collected at redemption locations;
10 and

11 (B) any Organization employees not described in
12 subparagraph (A); and

13 (16) the number of consumer complaints per month, by
14 redemption location, during the previous calendar year and
15 each prior year for at least the preceding 5 years, to the
16 extent data is available;

17 (17) the total number of individual consumers per
18 month who filed complaints, by redemption location, during
19 the previous calendar year and each prior year for at
20 least the preceding 5 years, to the extent data is
21 available;

22 (18) a list of all members, their brands of beverage
23 containers, and a breakdown of each member's beverage
24 container packaging mix by beverage container type during
25 the previous calendar year and each prior year for at
26 least the preceding 5 years, to the extent data is

1 available;

2 (19) the buyers of the plastic film waste, if any,
3 generated from the standard bag sold by the Organization
4 to consumers for redemption and how buyers may recycle the
5 plastic film waste;

6 (20) the number of individuals and entities registered
7 to receive electronic deposits of redemption refunds under
8 this Act; and

9 (21) the name of each member of the Organization's
10 Board of Directors.

11 (b) The Organization may rely on reporting by members for
12 information used to comply with the reporting requirements of
13 this Act, but shall note in its annual report which of the
14 metrics described in subsection (a) are based on member
15 reporting.

16 (c) Once per calendar year, the Agency may require
17 verification of information disclosed during that calendar
18 year by the Organization under this Act. The verification
19 shall:

20 (1) only occur after being notified by the
21 Organization on or before August 1 of that calendar year
22 that the Agency is requiring independent third-party
23 verification;

24 (2) be performed by an independent third party;

25 (3) be limited in scope to information that:

26 (A) the Organization is required to report under

1 this Act;

2 (B) the Agency specifies for third-party
3 verification under this subsection; and

4 (C) appeared, or should have appeared, in the
5 Organization's annual report for that calendar year;
6 and

7 (4) conducted on or before December 31 of the calendar
8 year in which it is required by the Agency.

9 The Organization must pay the full cost of the
10 third-party verification.

11 (d) The Organization must establish safeguards to ensure
12 members do not have access to information regarding:

13 (1) the price paid by any individual buyer for
14 beverage container material sold by the Organization under
15 this Act; and

16 (2) the amount of each beverage container material
17 sold by the Organization to each individual buyer.

18 (e) On or before the last day of February of each calendar
19 year, each member of the Organization must report to the
20 Organization all data necessary to satisfy the disclosure
21 requirements of this Section. The Organization shall ensure
22 that data provided by members under this subsection is
23 confidential.

24 Section 65. Operations Advisory Committee; Equity and
25 Access Advisory Committee.

1 (a) The Organization shall establish an Operations
2 Advisory Committee that represents a range of interested and
3 engaged persons and entities, including, at a minimum, one of
4 each of the following:

5 (1) a beverage container manufacturer or a beverage
6 container manufacturer's trade association;

7 (2) a beverage producer or a beverage producer's trade
8 association;

9 (3) a unit of local government or group of units of
10 local government;

11 (4) the State;

12 (5) an environmental nonprofit organization;

13 (6) an entity that buys beverage containers from, or
14 recycles them for, the Organization; and

15 (7) a retailer or a retailer's trade association.

16 (b) The Operations Advisory Committee may:

17 (1) provide written or oral comments directly to the
18 Board of Directors and the Executive Director no more than
19 4 times a year; and

20 (2) every even-numbered calendar year, submit to the
21 Organization a written report that the Organization must
22 publish on its website upon request by the Operations
23 Advisory Committee and containing:

24 (A) the Operations Advisory Committee's feedback
25 on the operation of the Organization; and

26 (B) the Operations Advisory Committee's feedback

1 on the redemption refund system established under this
2 Act.

3 (c) The Organization shall establish an Equity and Access
4 Advisory Committee that represents persons who can help ensure
5 the Organization's operations appropriately consider the
6 diverse needs and cultures of people who redeem beverage
7 containers, including, at a minimum, one of each of the
8 following:

9 (1) an advocate for homeless persons;

10 (2) a governmental social services office;

11 (3) a nongovernmental organization that advocates on
12 behalf of one or more cultural groups; and

13 (4) a specialist in diversity and inclusion.

14 (d) The Equity and Access Advisory Committee may:

15 (1) provide written or oral comments directly to the
16 Board of Directors and the Executive Director no more than
17 4 times a year; and

18 (2) every even-numbered calendar year, submit to the
19 Organization a written report that the Organization must
20 publish on its website upon request by the Equity and
21 Access Advisory Committee and containing:

22 (A) the Equity and Access Advisory Committee's
23 feedback on whether the Organization is appropriately
24 considering the diverse needs and cultures of people
25 who redeem beverage containers under this Act; and

26 (B) the Equity and Access Advisory Committee's

1 suggestions on how the Organization can improve in
2 terms of equity and access.

3 Section 70. Reimbursement to the Agency. The Organization
4 shall reimburse the Agency for costs incurred by the Agency
5 under this Act, not to exceed \$500,000 per year, in accordance
6 with paragraph (4) of subsection (f) of Section 50.

7 Section 75. Enforcement.

8 (a) In addition to any other applicable civil penalties or
9 criminal fines, the Agency may impose a civil penalty for each
10 day that a violation of this Act occurs. The penalty shall be
11 \$100 for the first violation of any requirement under this Act
12 and not more than \$1,000 for each subsequent violation of that
13 requirement.

14 (b) A person who takes any of the following actions with
15 the intent to knowingly defraud is subject to subsection (c),
16 along with any other federal, State, or local enforcement
17 action arising from the action:

18 (1) redeeming out-of-state beverage containers,
19 rejected beverage containers, line breakages, or beverage
20 containers that have already been redeemed;

21 (2) seeking a redemption refund under this Act by
22 returning an already-redeemed beverage container at a
23 redemption location;

24 (3) bringing out-of-state beverage containers,

1 rejected beverage containers, or line breakages to the
2 State marketplace for redemption; or

3 (4) selling beverage containers not distributed or
4 imported into the State by a member of the Organization.

5 (c) A violation of subsection (b) resulting in financial
6 gain by the violator shall subject the violator to the
7 following:

8 (1) If the amount of moneys gained is equal to or less
9 than \$950, the violator is subject to:

10 (A) imprisonment in a county jail for not more
11 than 6 months;

12 (B) a criminal fine not exceeding \$1,000; or

13 (C) both the fine and imprisonment described in
14 subparagraphs (A) and (B).

15 (2) If the amount of moneys gained is more than \$950,
16 the violator is subject to:

17 (A) imprisonment in a county jail for not more
18 than one year;

19 (B) a criminal fine not exceeding \$10,000; or

20 (C) both the fine and imprisonment described in
21 subparagraphs (A) and (B).

22 (d) The Agency may bring a civil action to enjoin the
23 distribution, importation, or sale in the State of a beverage
24 container in violation of this Act.

25 (e) The Agency may assess a penalty of up to \$30,000 in a
26 calendar year against the Organization for each redemption

1 location at which the Organization receives more than an
2 average of 100 individuals' complaints per month, according to
3 the public reporting required under Section 60.

4 (f) After notification from the Agency of noncompliance
5 with this Act and a 60-day cure period, the Agency may
6 administratively impose a civil penalty once per year to any
7 distributor or importer who fails to participate as an
8 Organization member as required under Section 10. The civil
9 penalty shall be the greater of \$10,000 or 10 cents per
10 beverage container sold by the distributor or importer in the
11 State while not a member. Any distributor or importer who
12 incurs a penalty under this Section may appeal the penalty to
13 the Agency.

14 (g) All penalties the Agency recovers under this Act:

15 (1) up to the first \$5,000,000 per calendar year shall
16 only be used to administer this Act;

17 (2) beyond the first \$5,000,000 per calendar year
18 shall only be used to:

19 (A) conduct educational activities in the State
20 that are focused on the beverage container redemption
21 refund system established under this Act;

22 (B) perform litter clean-up in the State; or

23 (C) support the collection of recyclable material
24 in public spaces in the State; and

25 (3) shall be deposited in a separate, dedicated
26 account and shall not be spent until the following

1 calendar year.

2 Section 80. Administration. The Agency shall administer
3 and enforce the provisions of this Act not otherwise allocated
4 to another person or entity under this Act.